

5/39/001

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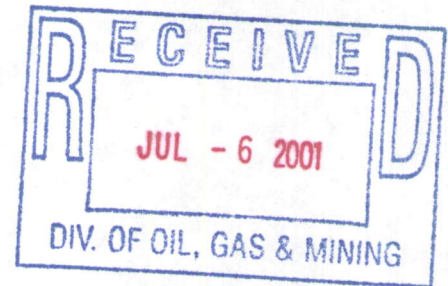
ROBERT G. PRUITT, III

July 6, 2001

VIA FACSIMILE

359-3940

D. Wayne Hedberg, Permit Supervisor
Minerals Regulatory Program
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801



Re: Peak Minerals-Azomite, Inc. Notice of Potential
Non-Compliance and Division Directive, Trace
Mine/Aumco Claim, S/039/001, Sanpete County, Utah

Dear Mr. Hedberg:

This office represents Peak Minerals-Azomite, Inc. in connection with the referenced Notice dated June 27, 2001 and received by Peak Minerals on July 2, 2001. As stated in your Notice, Peak Minerals was directed to contact the Division within 10 days of its receipt of the letter to schedule a meeting to discuss options to remedy the situation. I phoned your office earlier this week and left a voice mail for you in response to the Notice. In addition, this letter will serve as a response to the Notice.

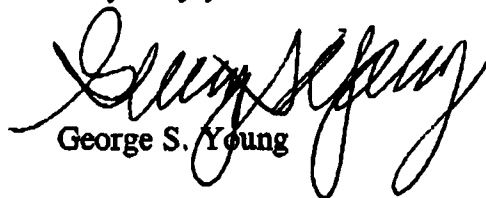
Your greeting on your voicemail indicated you would be out of the office until Thursday, July 5. I will contact you on Friday to schedule a meeting to discuss options and to discuss the position of Peak Minerals with respect to the referenced Notice. In particular, we would like to discuss with you the fact that we have always firmly believed that the total disturbance at the property was considerably less than the 5-acre limitation. We would like to discuss how the measurements were made and what particular surface expressions were considered to be "disturbance" on the property.

D. Wayne Hedberg, Permit Supervisor
July 6, 2001
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We would also expect to discuss a number of other issues relating to the referenced Notice.

I look forward to contacting you and scheduling such a meeting with either yourself or your designee. I expect that such a meeting will be most convenient to occur during the week of July 9. In the meantime, if there are any questions or concerns you have, please feel free to contact me directly.

Very truly yours,



George S. Young

GSY:ct
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cc: W. Wesley, Emerson, President
Peak Minerals-Azomite, Inc.
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